



**Secretary of State
Business Programs Division**

Business Entities, 1500 11th Street, Sacramento, CA 95814

Conversion of a California Limited Liability Company into a California Stock Corporation

A California limited liability company can be converted into a California stock corporation by filing Articles of Incorporation containing a statement of conversion.

The attached sample meets the minimum statutory requirements for Articles of Incorporation containing a statement of conversion for a general stock corporation. (California Corporations Code commencing with sections [200](#), [1150](#) and [17710.01](#).) The sample may be used as a guide in preparing documents. Modifications can be made to add permissive provisions and/or to meet the specific statutory requirements for a professional, close or flexible purpose corporation. It is recommended that you consult with a private attorney for advice about your specific business needs and whether additional provisions are needed. The Secretary of State does not provide a standardized form due to the many possible drafting variations.

Where to File

You can submit your document:

- **By mail** to Secretary of State, P.O. Box 944260, Sacramento, CA 94244-2600. To facilitate the processing of documents mailed to the Secretary of State, you should include a letter referencing the corporate name as well as your name, return address and telephone number; or
- **In person** (drop off) at the Secretary of State's Sacramento office, 1500 11th Street, Sacramento, California. Documents delivered in person can be dropped off between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (excluding holidays).

Go to www.sos.ca.gov/business-programs/business-entities/processing-times to get the current processing times and determine which method of submission meets your needs.

Note: Articles of Incorporation containing a statement of conversion are filed only in the Secretary of State's Sacramento office.

Fees

The fee for filing Articles of Incorporation containing a statement of conversion is \$150.00. In addition to the filing fee, there is a non-refundable \$15.00 special handling fee for processing documents that are delivered in person (drop off) at the Sacramento office. The preclearance and/or expedited filing of a document *within a guaranteed time frame* can be requested for an additional fee in lieu of the special handling fee. For detailed information about special handling or preclearance and expedited filing services, go to www.sos.ca.gov/business-programs/business-entities/service-options. The special handling or preclearance and expedited filings services are not applicable to documents submitted by mail, and payment for those services should be made in a separate check.

Payments for documents submitted:

- by mail to Sacramento can be made by check or money order. Please do not send cash by mail.
- in person (drop off) at the Sacramento office can be made by check, money order, cash, or credit card (Visa or MasterCard).

Checks or money orders should be made payable to the Secretary of State.

Copies

Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$5.00 certification fee. To get additional copies, include a separate request and payment for copy fees when the document is submitted. Copy fees are \$1.00 for the first page and \$.50 for each additional page. For certified copies, there is an additional \$5.00 certification fee, per copy.

Franchise Tax Requirements

A general stock corporation is a taxable entity and subject each year to an **\$800** minimum franchise tax. Therefore, the corporation must file a return and pay the associated tax every year until the corporation is formally dissolved. For further information regarding franchise tax requirements, refer to the Franchise Tax Board’s website at <https://www.ftb.ca.gov> or call the Franchise Tax Board at:

- From within the United States (toll free)..... (800) 852-5711
- From outside the United States (not toll free) (916) 845-6500
- Automated Telephone Service - From within the United States (toll free) (800) 338-0505
- Automated Telephone Service - From outside the United States (not toll free)..... (916) 845-6600

Additional Resources

All corporations are subject to state and federal tax laws and may be subject to additional requirements depending on the type of corporation and the type of business conducted. For a list of other agencies you may need to contact to ensure proper compliance, go to www.sos.ca.gov/business-programs/business-entities/resources. Note: The California Secretary of State does not license corporations. For licensing requirements, please contact the city and/or county where the principal place of business is located and/or the state agency with jurisdiction over the activities of the corporation.

Name restrictions apply to most business entities. For business entity name regulations and the most common statutory requirements and restrictions relating to the adoption of a business entity name in California, go to www.sos.ca.gov/business-programs/business-entities/name-availability.

Statement of Information

A Statement of Information (Form SI–200) must be filed with the California Secretary of State within 90 days after filing the Articles of Incorporation and each year thereafter during the applicable filing period. The applicable filing period is the calendar month in which the Articles of Incorporation were filed and the immediately preceding five calendar months. (California Corporations Code section 1502.) Form SI-200 can be filed online at <https://businessfilings.sos.ca.gov/>. Alternatively, Form SI-200 is available on our website at www.sos.ca.gov/business-programs/business-entities/statements and can be viewed, filled in and printed from your computer for mail or drop off submission.

Conversion of a California Limited Liability Company into a California Stock Corporation

Instructions:

Articles of Incorporation containing a statement of conversion must be drafted to include all the provisions required by the California Corporations Code. Articles of Incorporation may include other provisions as permitted under California law (e.g., the name and address of each initial director). The attached sample meets the minimum statutory requirements and should only be used as a guide in preparing Articles of Incorporation. The document should be typed with letters in dark contrast to the paper. Documents not suitable for reproduction will be returned unfiled. Note: The file date of Articles of Incorporation is generally the date the document complying with applicable law is received in the California Secretary of State's office.

Article I: The articles must include a statement of the name of the converted corporation.

- The name must be exactly as you want it to appear on the records of the California Secretary of State.
- Name requirements and restrictions apply to most business entities. For business entity name regulations and the most common requirements and restrictions relating to the use or adoption of a business entity name in the State of California, go to www.sos.ca.gov/business-programs/business-entities/name-availability.

Article II: This **exact** statement is required by the California Corporations Code and should not be altered.

Article III: The articles must include a statement of the total number of shares the converted corporation will be authorized to issue.

Note: Before shares of stock are sold or issued, the corporation must comply with the Corporate Securities Law of 1968 administered by the California Department of Business Oversight. For more information, go to www.dbo.ca.gov or call the California Department of Business Oversight at (866) 275-2677.

Article IV: The articles must include a statement of conversion. (California Corporations Code sections [1157](#) and [17710.06](#).)

Article V: The statement of conversion (and the articles) also must include:

- the initial street address of the converted corporation (a P.O. Box address is not acceptable) and the initial mailing address of the converted corporation, if different from the initial street address. Please do not abbreviate the name of the city.
- the name of the initial agent for service of process¹ of the converted corporation.
 - If an individual is designated as agent, include the agent's business or residential **street** address in California (a P.O. Box address is not acceptable). Please do not use "in care of" (c/o) or abbreviate the name of the city.

Note: Before another corporation may be designated as agent, that corporation must have previously filed with the Secretary of State a certificate pursuant to California Corporations Code section [1505](#). **A corporation cannot act as its own agent** and no domestic or foreign corporation may file pursuant to Section 1505 unless the corporation is currently authorized to engage in business in California and is in good standing on the records of the California Secretary of State.

Execution: The statement of conversion must be signed and acknowledged by all of the members of the limited liability company, unless a lesser number is provided in the articles of organization or the operating agreement. (See California Corporations Code section [17701.02\(a\)](#) for the definition of "acknowledged.")

If initial directors are named in the articles, each director must both sign and acknowledge the articles. Note: If initial directors are not named in the articles, the individual(s) executing the document is the incorporator(s) of the corporation. The name of each incorporator or initial director should be typed beneath their signatures. (California Corporations Code section [200\(b\)](#).)

¹ An "agent for service of process" is an individual (director, officer or any other person, whether or not affiliated with the corporation) who resides in California or another corporation designated to accept service of process if the corporation is sued. Note: The agent must agree to accept service of process on behalf of the corporation prior to designation.

Sample - Conversion of a California LLC into a California Stock Corporation

Articles of Incorporation with Statement of Conversion

I

The name of the corporation is _____ *[Name of Converted California Corporation]* _____.

II

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the **General Corporation Law** of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

This corporation is authorized to issue only one class of shares of stock; and the total number of shares which this corporation is authorized to issue is _____.

IV

(Statement of Conversion)

The name of the converting California limited liability company is _____ *[Name of Converting California LLC]* _____.
The limited liability company's California Secretary of State file number is _____.
The principal terms of the plan of conversion were approved by a vote of the members, which equaled or exceeded the vote required under California Corporations Code section 17710.03. There is one class of members entitled to vote and the percentage vote required is a majority in interest of the members. The limited liability company is converting into a California stock corporation.

V

A. The initial street address and mailing address of the converted corporation are:

| | | | |
|--|------|-------|----------|
| Initial Street Address of Corporation | City | State | Zip Code |
| Initial Mailing Address of Corporation | City | State | Zip Code |

B. The name and California street address of the converted corporation's initial agent for service of process are:

| | | | |
|------------------------|------|-------|----------|
| Agent's Name | CA | | |
| Agent's Street Address | City | State | Zip Code |

I declare I am the person who executed this instrument, which execution is my act and deed.

[Signature of Member]
[Typed Name of Member], Member of
[Name of California LLC] and Incorporator

[Signature of Member]
[Typed Name of Member], Member of
[Name of California LLC] and Incorporator

Article V(A): List the initial street address of the corporation (a P.O. Box address is not acceptable), and if different, include the initial mailing address of the corporation. Article V(B): If an individual is designated as the initial agent for service of process, include the agent's business or residential street address in California (a P.O. Box address is not acceptable). This sample is only to be used as a guide in preparing Articles of Incorporation containing a statement of conversion. This sample meets the minimum statutory requirements; for other scenarios, refer to the California Corporations Code commencing with sections 200, 1150 and 17710.01.